



**Department of Defense
National Security Personnel System**



Flexibility - Accountability - Excellence

www.cpms.osd.mil/nsps

- **November 2003, Congress granted DoD broad authority to establish a new human resources management system to support its critical national security mission**
- **Early 2004, DoD adopted acquisition management model for NSPS program**
 - Program Executive Office established for design and implementation
 - Oversight and guidance from senior leadership
 - Partnership with OPM

How We Got Here (Cont'd)

- **Conducted over 100 Focus Groups and 50 Town Hall meetings worldwide**
 - Gathered input from employees, supervisors, union officials, and HR practitioners
- **Reviewed and considered data and reports from existing alternative personnel systems**
 - DoD demonstration projects and other Federal agencies
- **Held several meetings with DoD employee unions**
 - Over 40 labor organizations
 - Shared interests and concerns
 - Discussed potential design options
 - Gathered input for system design

- **Convened six design working groups to develop options for senior leadership consideration**
 - **Input from numerous stakeholders**
 - Employees
 - Unions
 - Managers
 - Public interest groups
 - Senior leaders
 - **Included over 100 participants from DoD and OPM**
 - **HR experts, military members, line managers, and functional area experts (EEO, labor relations, legal, comptroller)**

How We Got Here (Cont'd)

- Senior leadership reviewed options and recommended a proposed system design
- Secretary Rumsfeld and OPM Director James approved proposed regulations
- February 14, 2005, Federal Register Notice issued for public review with comments due March 16, 2005

Design Principles & Operational Requirements

Guiding Principles

- 1. Put mission first - support National Security goals and strategic objectives**
- 2. Respect the individual; protect rights guaranteed by law**
- 3. Value talent, performance, leadership and commitment to public service**
- 4. Be flexible, understandable, credible, responsive, executable**
- 5. Ensure accountability at all levels**
- 6. Balance HR interoperability with unique mission requirements**
- 7. Be competitive and cost effective**

Key Performance Parameters

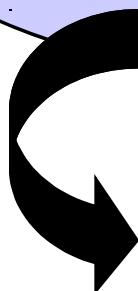
- High Performing:** Employees/supervisors are compensated/retained based on performance/contribution to mission
- Agile & Responsive:** Workforce can be easily sized, shaped, and deployed to meet changing mission requirements
- Credible and Trusted:** System assures openness, clarity, accountability and merit principles
- Fiscally Sound:** Aggregate increases in civilian payroll, at the appropriations level, will conform to OMB fiscal guidance; managers will have flexibility to manage to budget
- Supporting Infrastructure:** Information Technology support and training and change management plans are available and funded
- Schedule:** NSPS will be operational and demonstrate success prior to November 2009

What NSPS Does Not Change

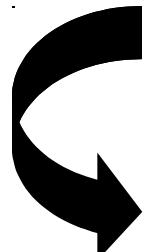
- **Merit System Principles**
- **Rules against prohibited personnel practices**
- **Whistleblower protection**
- **Veterans Preference**
- **Benefits (retirement, health, life, etc.)**
- **Anti-discrimination laws**
- **Fundamental due process**
- **Allowances and travel/subsistence expenses**
- **Training**
- **Leave and work schedules**
- **Other personnel systems in law**
- **Lab Demo organizations (until FY 08)**

Regulation Strategy

Enabling Regulations
Detailed information on
Labor Relations,
Adverse Actions and
Appeals
Broad Information in Other
Areas



DoD Instructions
More Detailed Information on
Compensation,
Performance Management, Hiring,
Shaping,
and Employee Engagement



Component Instructions
Component-Specific
Guidance

NSPS Major Design Elements

Classification

- Pay architecture
- Job descriptions
- Occupational groupings

Pay/Compensation

- Market sensitive pay
- Performance-based pay
- Pay setting

Performance Mgmt

- Setting expectations
- Communicating/feedback
- Appraising performance
- Addressing poor performance

Hiring

- Hiring authorities
- Examining procedures

Reduction in Force

- Procedures for resizing organizations
- Defining competitive areas
- Factors for retention

Adverse Actions

- Dealing with performance and/or conduct problems
- Procedures for taking actions

Appeals

- Procedures for appealing adverse actions
- MSPB role

Labor Relations

- Collective bargaining rights
- Scope of bargaining
- Bargaining process
- Resolving labor disputes

Other Regulatory Provisions

- **Coordination with Office of Personnel Management**
 - Actions impacting other Federal agencies or civil service as a whole
 - Examples: establishing career groups and pay bands; establishing new qualifications standards; setting maximum pay rates; setting pay ranges and local market supplements
- **Continuing Collaboration**
 - Include unions in further development of NSPS
 - Provide opportunity for unions to review and comment on draft proposals and discuss their views with DoD officials prior to issuance
 - Provide that union comments will become part of official record and considered prior to finalization of proposal
- **Program Evaluation**
 - Formal procedures required by regulations to assess and evaluate NSPS implementation
 - Provides opportunity for unions to participate in process

Who is Affected by NSPS?

- **NSPS Human Resources System (Pay, performance, hiring, RIF, adverse actions, and appeals provisions)**
 - **Vast majority of DoD employees eligible for coverage: initially apply only to selected General Schedule employees in Spiral One organizations Certain categories excluded (e.g., intelligence personnel, Defense Labs)**
 - **Employees in special pay/classification systems (e.g., wage grade) will be phased in later (not sooner than eighteen months)**
- **NSPS Labor Relations System**
 - **Applies to all employees and labor organizations currently covered by Chapter 71 of title 5**
 - **Will be implemented across entire Department when final regulations are effective**

- **Changing culture from Entitlement to Performance**
 - Pay linked to performance
 - Performance evaluations to be measurable and tied to business results
- **Budgeting/Managing Costs**
 - Ensuring pay pool funds protected
 - Within-grade buyout funds availability
- **Technology**
 - Tools for documenting and tracking performance goals/pay models
 - Modifying IT systems for transition to NSPS
- **Training**

- **Target audiences**
 - Senior leaders, managers, and supervisors
 - Employees
 - HR and LR practitioners
 - Pay pool managers/administrators
- **Dual focus**
 - Functional training (NSPS system)
 - Change management (“soft skills”)
- **Learning objectives**
 - Foster a culture that focuses on results, values performance, rewards contributions, and promotes excellence
 - Educate employees about NSPS
 - Teach skills and behaviors necessary to implement and sustain NSPS

- **Comments on proposed NSPS regulations due March 16, 2005**
- **Statutory review & comment by employee unions (30 days); concurrent with public comment period**
- **Full and fair consideration of comments and recommendations**
- **Meet and confer period with employee unions (minimum of 30 days)**
 - Discuss differences; attempt to reach agreement
 - Assistance from Federal Mediation and Conciliation Service
- **Notify Congress of outcome of meet and confer (30 days)**
- **Finalize regulations; issue implementing issuances**



Five Ways Employees Can Get Ready for NSPS

- 1. Be proactive! Visit the NSPS web site regularly to stay up-to-date on the latest NSPS information**
www.cpms.osd.mil/nsps
- 2. Review your organization's mission and goals. Think about what you can do help achieve those goals**
- 3. View this as a positive change. Make a difference!**
- 4. Read the Federal Register Notice and submit comments by March 16**
- 5. Contact your local NSPS program office about local NSPS training**

**Stay
informed!**

Five Ways Managers and Supervisors Can Get Ready For NSPS

1. Reinforce organization's mission and goals
2. Help staff understand how their work contributes to achieving those goals
3. Visit NSPS website regularly to stay up-to-date on the latest NSPS information
www.cpms.osd.mil/nsps

4. Host periodic formal and informal meetings to share what you know
5. Establish a peer network

**Lead the
way!**



Questions ?

www.cpms.osd.mil/nsps

Most Frequently Asked Questions

- **Will employees lose pay under NSPS? No**
 - **Employees will not lose pay upon conversion to NSPS; some will have a pay increase**
- **What happens to the January (general) pay adjustment (GPI)?**
 - **Funds will be paid out as a result of:**
 - **Performance payout process**
 - **Rate range adjustments**
 - **Local market supplements**
 - **Advancement in development positions**
- **What about the January 06 GPI for Spiral 1.1 employees?**
 - **Employees must have been under the new system long enough to be evaluated properly before GPI can be placed at risk - close to one year**

Most Frequently Asked Questions (Cont'd)

- **What about within grade increases?**
 - **Under proposed regulations**
 - **Employees will receive a prorated buy-out for within grade increases when they are placed into the system**
 - **After that, those funds will become part of the monies available for performance payouts or the other increases mentioned above**
- **How will DoD insure the money is really paid out to the employees?**
 - **DoD is currently developing a financial policy to insure these funds are protected**

Most Frequently Asked Questions (Cont'd)

- **Will veterans' preference for RIF and hiring go away? No**
 - **NSPS preserves veterans' preference. The preference that veterans receive under the current system does not change under NSPS**
- **Will seniority and veterans' preference count in the event of a reduction in force (RIF)? Yes**
 - **Seniority is still a factor in RIF.**
 - **Veterans' preference eligibles are still retained over non-veterans in RIF**
 - **Greater emphasis on performance in RIF retention**
 - **Performance ahead of length of service**
 - **Tenure group**
 - **Veterans' preference**
 - **Performance**
 - **Length of service**

Most Frequently Asked Questions (Cont'd)

- **Will there be a process for employees to challenge their performance rating? Yes**
 - **Reconsideration process in implementing issuances**
 - **Will be a separate reconsideration process that will afford every employee an opportunity to seek appropriate redress**
- **Will there be a process where employees can exercise their fundamental rights to grieve or appeal unfair decisions or adverse actions? Yes**
 - **Employees will continue to retain critical rights such as merit systems principles, due process, whistleblower protections, and protection against prohibited discrimination and prohibited personnel practices.**

Most Frequently Asked Questions (Cont'd)

- **Is the proposed appeal system an impartial process? Yes**
 - **It retains MSPB administrative judges as initial adjudicators of employee appeals and adverse actions**
 - **Employees retain right to petition full MSPB for review of the record of a final DoD decision**
- **Will DoD continue to have bargaining units and employee unions? Yes**
 - **The implementation of the NSPS labor relations system will not eliminate unions or bargaining units. Employees will still be able to participate in labor organizations and to bargain collectively.**

Benefits of Proposed NSPS

- **Proposed HR system provides greater flexibility to respond effectively to mission needs, while fostering excellence and ensuring accountability**
- **Employees will have greater opportunity to affect their pay through excellent performance**
 - **Pay increases based on performance and/or contribution to mission success; clear performance expectations linked to strategic Department goals and objectives**
 - **Safeguards built into performance appraisal process to promote fairness, transparency, and accountability**
- **Managers will be able to recruit/retain high quality talent more effectively**
 - **Ability to offer more competitive, market-sensitive compensation**
 - **Ability to fill jobs faster with streamlined hiring processes**



Notice and Comment Information

- The proposed NSPS regulations are subject to change, based on consideration of formal comments received during the comment period and the results of the meet and confer process with employee representatives; decisions on NSPS are not final until final regulations are published (targeted for late spring)
- Individuals are encouraged to read the full text of the proposed regulations and provide comments and/or recommendations on the proposal
- The 30-day comment period is the opportunity to submit formal comments on the regulations; comments must be received by March 16, 2005
- Methods for submitting comments:
 - Internet: visit www.cpms.osd.mil/nsps to access the proposed regulations, review background information on NSPS, and formally submit comments
 - U.S. Mail: formal

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